

1 SENATE BILL NO. 21

2 INTRODUCED BY HALLIGAN

3 BY REQUEST OF THE LEGISLATIVE COUNCIL

4
5 A BILL FOR AN ACT ENTITLED: "AN ACT CORRECTING AN ENROLLING ERROR BY CLARIFYING THAT
6 THE USE OF CLASSIFICATIONS OF EMPLOYMENT ADOPTED BY THE NATIONAL COUNCIL ON
7 COMPENSATION INSURANCE BY THE STATE FUND IS PERMISSIVE; AMENDING SECTION 39-71-2316,
8 MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

9
10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

11
12 **Section 1.** Section 39-71-2316, MCA, is amended to read:

13 **"39-71-2316. Powers of the state fund.** For the purposes of carrying out its functions, the state
14 fund may:

15 (1) insure any employer for workers' compensation and occupational disease liability as the
16 coverage is required by the laws of this state. The state fund may charge a minimum yearly premium to
17 cover its administrative costs for coverage of a small employer.

18 (2) sue and be sued;

19 (3) except as provided in section 21, Chapter 4, Special Laws of May 1990, enter into contracts
20 relating to the administration of the state fund, including claims management, servicing, and payment;

21 (4) collect and disburse money received;

22 (5) adopt classifications and charge premiums for the classifications so that the state fund will be
23 neither more nor less than self-supporting. Premium rates for classifications may only be adopted and
24 changed using a process, a procedure, formulas, and factors set forth in rules adopted under Title 2,
25 chapter 4, parts 2 through 4. After ~~each~~ the rules have been adopted, the state fund need not follow the
26 rulemaking provisions of Title 2, chapter 4, when changing classifications and premium rates. The contested
27 case rights and provisions of Title 2, chapter 4, do not apply to an employer's classification or premium
28 rate. The state fund must belong to the national council on compensation insurance and ~~shall~~ may use the
29 classifications of employment adopted by the national council and corresponding rates as a basis for setting
30 its own rates.

- 1 (6) pay the amounts determined due under a policy of insurance issued by the state fund;
- 2 (7) hire personnel;
- 3 (8) declare dividends if there is an excess of assets over liabilities. However, dividends may not
4 be paid until adequate actuarially determined reserves are set aside. If those reserves have been set aside,
5 money that can be declared as a dividend must be transferred to the account created by 39-71-2321 for
6 claims for injuries resulting from accidents that occurred before July 1, 1990, and used for the purposes
7 of that account. After all claims funded by that account have been paid, dividends may be declared and
8 paid to insureds.
- 9 (9) perform all functions and exercise all powers of a private insurance carrier that are necessary,
10 appropriate, or convenient for the administration of the state fund."

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12

NEW SECTION. Section 2. Effective date. [This act] is effective on passage and approval.

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APPROVED BY COMMITTEE
ON STATE ADMINISTRATION

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